REMARKS

The Examiner has stated "Claims 1-8 are presented for examination." However, Applicant submits that the application as filed originally had claims 1-30, of which claims 9-26 were cancelled. As such, claims 1-8 and 27-30 are presented for examination.

The claims have been amended to more clearly define the invention as disclosed in the written description. In particular, the claims have been amended for clarity.

Applicant asserts that the above changes are editorial in nature only and do not affect the scope of the claims.

The Examiner has rejected claims 1-6 under 35 U.S.C.

102(b) as being anticipated by U.S. Patent 4,933,969 to Marshall et al. The Examiner has further rejected claim 8 under 35 U.S.C.

103(a) as being unpatentable over Marshall et al. in view of U.S.

Patent 6,327,652 to England et al. Applicant acknowledges that the Examiner has found claim 7 allowable over the prior art of record.

The Marshall et al. patent discloses a data authentication and protection system in which various terminals 10, 10A, 10B, etc., are connected to a common communication medium 11, to which is also connected a central Key Distribution Center (KDC) 12. Each terminal 10 (10A, 10B, etc.) includes a personal computer PC 14, a disc store 15 (e.g., a hard disk drive), and a security module 16, while the KDC 12 includes a computing unit 18, a security module

17, and multiple storage means 19 (e.g., multiple hard disk drives). As described at col. 5, lines 14-22:

"The security modules 16 and 17 are constructed using known techniques. Thus each module includes data storage means for storing encrypting keys and other information which has to be kept secure; processing means for carrying out encryption and decryption of data, and other operations such as the calculation of check quantities and other processing required in the module; and control means for controlling the required operations."

Col. 5, lines 33-37 further adds:

"Many of the components of the module, such as various registers, counters and stores described later, are preferably implemented by means of a microprocessor, a random access memory, and a stored program which defines memory locations used for those components and implements their functions."

The subject invention, as claimed in claims 1-8 concerns a recording medium containing a memory portion, a usage indicator, and a baseline register.

The Examiner equates the multiple storage means 19 of Marshall et al. to the memory portion of the recording medium of the subject invention, the usage indicator 40, associated with key register 32, for counting the number of times the UMK key is used, with the usage indicator of the recording medium, and UMK register 32 which stores the UMK key, with the baseline register of the recording medium.

It should be apparent that these components of Marshall et al. are separate and distinct components, and that collectively these components do not form a recording medium. In particular, a

"recording medium" is an established term defining a unit on which a signal (e.g., data) may be recorded/stored. Examples of recording media are magnetic tape, hard disks, optical disks (e.g., CD's), floppy disks, flash memory cards, etc. These types of recording media have been described in U.S. patents for years, e.g., U.S. Patents 6,337,779 (disc-like recording medium), 6,337,781 (magnetic disk recording medium), 6,337,774 (optical disc recording medium), 5,953,104 (optical recording medium), 5,952,074 (magnetic recording medium) (enclosed is form PTO-1449 listing these patents, as well as copies thereof).

The recording medium of the subject invention further is removable to cooperate with a plurality of playback devices. The multiple storage means 19 of Marshall et al. is, in and of itself, a recording medium; it is not a part of a recording medium.

Further, the usage indicator 40, while not being a part of the recording medium as in the subject invention, is associated with the usage of the user master key (UMK), as opposed to the claimed usage indicator which is a measure of usage associated with the content material. Further, the register 32 of Marshall et al. merely stores the user master key, and is not a baseline register for storing at least one baseline-usage parameter for facilitating a determination of a validity period associated with the content material based on the usage indicator. It should be noted that a baseline-usage parameter is defined in the specification on page 5,

lines 13-29, and is a quantity which is decremented in the baseline register upon each use of the recording medium.

The England et al. patent discloses loading and identifying a digital rights management operating system, which the includes the process of digital signatures bound to the content material.

However, Applicant submits that England et al. neither discloses or suggests a digital signature bound to the at least one baseline parameter, or the encryption of the at least one baseline parameter. Further, Applicant submits that England et al. does not supply that which is missing from Marshall et al., i.e., a recording medium having a memory portion, a usage indicator and a baseline register.

In view of the above, Applicant believes that the subject invention, as claimed, is neither anticipated nor rendered obvious by the prior art, either individually or collectively, and as such, is patentable thereover.

Applicant believes that this application, containing claims 1-8 and 27-30, is now in condition for allowance and such action is respectfully requested.

Respectfully submitted,

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